

Memorandum

Date : October 18, 1999

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To : WILLIAM J. KEESE, Chairman and Presiding Member
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File: Memo003.Doc

From : California Energy Commission - Richard K. Buell
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Siting Project Manager

Subject : Three Mountain Power Project (99-AFC-2) Staff Status Report #2

The Three Mountain Power Project Committee's August 31, 1999 **Committee Scheduling Order** directed parties to file a status report on October 16, 1999. This is staff's response to that order.

ISSUES

AIR QUALITY

At the September 21, and 22 workshops, the local intervenors raised concerns regarding the need for a year of air quality monitoring data to better describe the local environment. The intervenors have identified their intent to file a petition with the Committee to require the applicant to conduct air quality monitoring, but have not done so yet. Staff notes that if relevant air quality monitoring were to be deemed appropriate, the monitoring should begin soon in order to capture the winter months, which are of concern. Failure to capture data during the winter months, if this data is deemed necessary, could significantly delay the review of the project proposal. Pending review of the intervenors' petition, staff will reserve judgement on whether air quality monitoring is necessary, and whether the data that could be collected warrants a delay in the schedule. However, based on the September 21, and 22 workshop discussions, staff is investigating whether proposed mitigation measures will mitigate the local air quality impacts caused by the project. In addition, staff is investigating alternative local mitigation measures, which may address local impacts caused by the project.

WATER RESOURCES

At the September 21, and 22 workshops, the local intervenors raised concerns regarding the lack of water quality and supply data that would be used to evaluate the project impacts. The intervenors have identified their intent to file a petition with the Committee to require the applicant to perform a water quality and supply study, but have not done so yet.

NATIVE AMERICAN CULTURAL RESOURCES AND ENVIRONMENTAL JUSTICE ISSUES

At the September 21, and 22, 1999 workshops, Native American representatives raised issues regarding the project's impacts to Native American cultural resources and environmental justice. Staff is investigating the project's potential impacts on Native American cultural resource issues, and is working with the U.S. Environmental Protection Agency and Bureau of Indian Affairs to better understand environmental justice issues and any legal interests the Native American's may have in the approval of

the project. At this time, we believe we will be able to address these issue in our Preliminary Staff Assessment (PSA) to be filed in late November.

SHASTA COUNTY PERMIT CONDITIONS

On October 6, 1999, Shasta County Department of Resource Management provided recommended conditions for approval of the Three Mountain Power Project. Staff will review these recommended conditions, and as appropriate, incorporate these conditions in PSA sections.

DISCOVERY

AIR QUALITY

The Committee's August 31, 1999 order directed staff to issue its air quality and water data requests by early September 1999. On August 11, 1999, staff issued air quality data requests. Responses to staff air quality data requests were received on September 13, 1999. The applicant provided monthly status reports related to its emission offset plan, under cover of confidentiality, on September 13, and October 13, 1999. Responses to staff's data requests related to the applicant's offset plan are due on October 22, 1999.

On September 1, 1999, the Shasta County Air Quality Management District (District) issued its data requests. Responses to the District's data requests were received on September 24, 1999. Staff will conduct workshop during the first week of November to discuss air quality and other topics, including data responses.

WATER RESOURCES

Staff issued its soil and water resources data requests on September 14, 1999. Staff received responses from the applicant on October 18, 1999, with three exceptions. By November 15, 1999, the applicant indicated it will file additional information in response to data request 62 (regarding zero discharge waste water disposal), data request 66 (regarding dry and wet/dry cooling technology alternatives at 50 and 75 percent loads), and data request 76 (regarding the environmental benefits and disbenefits of wet versus dry and wet/dry cooling). Staff will conduct workshops during the first week of November to discuss soil and water resources and other topics, including data responses.

BIOLOGICAL RESOURCES

On October 5, 1999, staff received responses to data request 1 regarding biological resources. Staff expects aerial photographs of the transmission line reconductoring pull-sites to be filed on November 5, 1999. On October 18, 1999, staff expects responses to its biological resources data requests 68 through 70, contained in the third set of data requests filed on September 14, 1999.

OTHER DATA REQUESTS

Based on the September 21 and 22, 1999 workshop discussion, on October 6, 1999, the applicant filed clarifications to its early data responses. On October 13, 1999, staff issued a second round of data requests for some topic areas. Responses to these data requests are due by November 15, 1999. The applicant's responses to some of California Unions for Reliable Energy (CURE) data requests were received on October 13, 1999. Other intervening parties have not yet issued their data requests. Staff may need to file additional data requests later in October 1999.

SCHEDULE

AIR QUALITY

On October 11, 1999, staff heard from the District that it would need at least 30 days beyond October 21, 1999 (e.g., November 23, 1999) to complete its the Preliminary Determination of Compliance (PDOC). Because the District will be late with its PDOC, our air quality PSA will likely be incomplete.

WATER RESOURCES

Staff has hired additional staff to work on soil and water resources issues. In addition, by early November 1999, staff will contract a groundwater hydrologist to address water quality and supply issues. After our groundwater hydrologist has reviewed the available data, we believe we will be better able to address these issues at workshops to be scheduled in November 1999. Because of the lateness in acquiring resources to conduct our analysis, and since the applicant is late in responding to some of our data requests, our soil and water resources PSA, to be filed in late November 1999, may not be complete.

INFORMATIONAL AND ISSUES WORKSHOPS

The Committee's August 31, 1999 order identified that public workshops on topics of concern would be scheduled in August-November. Staff has tentatively scheduled the second of these workshops for first week in November 1999, in Burney, California.

COMMITTEE SCHEDULING CONFERENCE

The Committee's August 31, 1999 order identified that the Committee will conduct a scheduling conference in late November 1999. Staff believes that this conference should be schedule as soon as practicable to consider any petitions received from the local intervenors. At this time, staff believes that it could publish a PSA in late November which is substantially complete. However, as staff's analyses proceed and workshop discussions continue, staff may need to revise this optimistic view.

REJ:rej

cc: 99-AFC-2 Proof of Service List
Three Mountain Agency List